

109th Congress

Securing America's Future



President's Day 2005 / State Work Period
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SENATE REPUBLICAN CONFERENCE

Rick Santorum, Chairman

Kay Bailey Hutchison, Vice Chairman

<http://gop.senate.gov>



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February 16, 2006

Dear Colleague,

Thank you for your commitment to working together to Secure America's Future. During the President's Day Recess I encourage you to continue to highlight the strength of the economy and the ongoing critical importance of fighting the war on terror. Enclosed are supporting materials for this effort.

Since passage of the May 2003 tax relief, over 4.7 million net new jobs have been added to the American economy, including more than 2 million in the past 12 months. Such robust job growth has slashed the nation's unemployment rate by nearly one-fifth, to 4.7 percent. The current unemployment rate is about fifteen percent lower than the nation's average rate of unemployment since 1960. In just two and a half years, real (inflation-adjusted) Gross Domestic Product grew by an astonishing 9.8 percent. Since passage of the May 2003 tax relief, federal receipts have increased by over 20 percent. The passage of the Deficit Reduction Act also provides an important step in restraining federal spending, including entitlement spending, while maintaining our commitment to beneficiaries.

In the ongoing fight against terror, we have made significant progress on completing a long-term renewal of the Patriot Act to maintain and refine the essential tools for this effort. We also need to continue to remind our constituents of the critical role of proactive surveillance and intelligence gathering in keeping Americans safe – i.e., when Al Qaeda is calling, we want to know why.

With the input of most members of the Conference, we have agreed to build on our accomplishments and embrace a longer term positive agenda for America. We have also agreed to focus on five priority issue areas related to the war on terror/ border security, jobs/economy, health care, energy/conservation, and education.

OVERALL THEMATIC: **SECURING AMERICA'S FUTURE**

ASPIRATIONAL GOALS:

- SECURING AMERICA'S FREEDOM, HOMELAND, AND BORDERS
- SECURING AMERICA'S COMPETITIVENESS AND CREATING JOBS THROUGH A GROWING ECONOMY
- SECURING AFFORDABLE AND ACCESSIBLE HEALTH CARE FOR ALL AMERICANS
- SECURING AMERICA'S ENERGY INDEPENDENCE
- SECURING A SAFE AND QUALITY EDUCATION FOR ALL AMERICANS

In contrast to our positive vision for America, our friends on the other side of the aisle have not laid out a positive agenda for America. Many of them are standing on the quicksand of obstruction and hypocritical attacks. Regardless, we will continue to work together to protect this nation and to improve the lives of all Americans by addressing the problems they face.

Thank you,


Rick Santorum, Chairman


Kay Bailey Hutchison, Vice-Chair



Aspirational Goals

Thematic: Securing America's Future

War on Terror

- Aspirational Goal: Securing America's Freedom, Homeland and Borders

Jobs/Economy

- Aspirational Goal: Securing America's Competitiveness and Creating Jobs through a Growing Economy

Health Care

- Aspirational Goal: Securing Affordable and Accessible Health Care for All Americans

Energy/Conservation

- Aspirational Goal: Securing America's Energy Independence

Education

- Aspirational Goal: Securing a Safe and Quality Education for All Americans

Democrats Play Block & Blame, Republicans Secure America's Future



Republicans are proud to have a bold, positive agenda to Secure America's Future. We have fought and won some important victories already in the 109th Congress, and Republicans in the Senate are prepared to build on that success in 2006.

However, we face an enormous hurdle in moving America forward because of a Democratic Party that would rather block what needs to be done and then blame Republicans when things don't get done. Yet, while they spend all of their energy attacking Republican actions, Democrats have offered no solutions of their own to America's serious challenges.

The American people expect passionate debates in Congress, but they are increasingly frustrated by a Democratic Party that simply says "no" to everything, while putting forth no ideas or clear agenda as an alternative.

Republicans are moving to Secure America's Energy Independence by developing affordable and reliable energy to reduce our reliance on Middle Eastern oil. But Democrats vote in unison to block domestic production, block new refineries, and block nuclear generation that has been proven safe and clean in nations throughout Europe. How can they then blame others for high energy prices that burden families and threaten jobs?

Republicans are working to Secure Affordable and Accessible Health Care for All Americans by ensuring every American can own a personal health plan. But Democrats vote in unison to block health savings accounts that give control to consumers and drive down costs, and they block efforts to allow individuals to deduct the cost of health insurance just like businesses. Then they blame others for rising costs and complain about the millions of uninsured Americans?

Republicans are working to Secure America's Freedom, Homeland and Borders by aggressively fighting the War on Terror and ending illegal immigration. But Democrats have tried to block the Patriot Act which is vital to catch terrorists before they attack, and to block any restrictions on illegal immigrants. Democrats constantly undermine President Bush's ability to pursue terrorists and grandstand on intelligence issues, while offering no plan of victory of their own. How can they then blame Republicans for slow progress in winning the War?

Republicans are fighting to Secure America's Competitiveness and Create Jobs through a Growing Economy, making our country the best place in the world to do business. Our policies have created the best economy in decades. But Democrats try to block continuing economic expansion by voting in unison to block tax relief for families and small businesses, block any attempts to restrain spending, and block the legal and regulatory reforms that would make American businesses more competitive. How can Democrats then blame Republicans for American businesses struggling to keep up with foreign competitors and job loss?

The truth is that Democrats will say anything, but do nothing. They have no ideas, no solution, no positive agenda. Democrats offer only attacks, obstruction, and partisan rhetoric. Americans expect Democrats to do better. Yet, Republicans will not wait around while the other party plays political games. We will continue to Secure America's Future with a bold vision for tomorrow and solutions for today.

War on Terror



Majority Message



For The Record

NSA Surveillance Program: Critical To America's Safety And Security

National Intelligence Director John Negroponte: Program Is Crucial To Protecting America. “[N]ational Intelligence Director John Negroponte, who directs all intelligence activities, strongly defended the program, calling it crucial for protecting the nation against its most menacing threat. ‘This was not about domestic surveillance,’ Negroponte said.” (*Katherine Shrader, “CIA Chief Says Wiretap Disclosure Damaging,” The Associated Press, 2/2/06*)

- **Negroponte: “This Was Not About Domestic Surveillance ... It Was About Dealing With The Terrorist Threat In The Most Agile And Effective Way Possible.”** (*Scott Shane, “Senate Session On Security Erupts In Spying Debate” The New York Times, 2/3/06*)

FBI Director Robert Mueller: Program Has “Been Valuable In Identifying Would-Be Terrorists In The United States...” MUELLER: “We get a number of leads from the NSA from a number of programs, including the program that’s under discussion today. And I can say that leads from that program have been valuable in identifying would-be terrorists in the United States, individuals who were providing material support to terrorists.” (*Robert Mueller, Testimony Before The Senate Select Intelligence Committee, 2/2/06*)

Gen. Michael Hayden, Former NSA Director: Communications Are Targeted Under Professional Analysts’ Judgment That One Or Both Communicants “Are Al Qaeda Or Al Qaeda Affiliates.” HAYDEN: “Under this program ... the only justification we can use to target a specific communication [is] that a reasonable person – in this case, an analyst – with all the facts available to him or her at the time, has cause to believe that one or both of these communicants are al Qaeda or al Qaeda affiliates.” (*Fox’s “Fox News Sunday,” 2/5/06*)

Gen. Hayden Noted The Program Makes It “Far More Likely” That U.S. Intelligence Can Intercept Al Qaeda Communications “That Enter And Leave The Homeland.” HAYDEN: “[E]veryone should expect the American signals intelligence enterprise, NSA, to pursue al Qaeda communications. What this authorization does is make it far more likely that NSA will be able to detect, grab, intercept al Qaeda communications that are most important – al Qaeda communications that enter and leave the homeland.” (*ABC’s “This Week,” 2/5/06*)

- **Hayden: “[It] Was My Professional Judgment That If We Had Had This Program In Place [Before 9/11], We Would Have Identified Some Of The Al Qaeda Operatives In The United States ... I’m Very, Very Comfortable With That.”** (*ABC’s “This Week,” 2/5/06*)

- **Hayden: “I Can Say Unequivocally ... That We Have Got Information Through This Program That Would Not Otherwise Have Been Available.”** (*Michael Hayden, Press Conference, 12/19/05*)

CIA Director Porter Goss: Exposure Of The Program Caused “Very Severe” Damage To Intelligence-Gathering Capabilities. “CIA Director Porter Goss said Thursday that the disclosure of President Bush’s eavesdropping-without-warrants program and other once-secret projects had undermined U.S. intelligence-gathering abilities. ‘The damage has been very severe to our capabilities to carry out our mission,’ Goss told the Senate Intelligence Committee.” (*Katherine Shrader, “CIA Chief Says Wiretap Disclosure Damaging,” The Associated Press, 2/2/06*)

Ranking House Intelligence Committee Member Jane Harman (D-Calif.): “I Believe The Program Is Essential To U.S. National Security And That Its Disclosure Has Damaged Critical Intelligence Capabilities.” HARMAN: “As the ranking Democrat on the House Intelligence Committee, I have been briefed since 2003 on a highly classified NSA foreign collection program that targeted al Qaeda. I believe the program is essential to U.S. national security and that its disclosure has damaged critical intelligence capabilities.” (*Rep. Jane Harman, Press Release, 12/21/05*)

During The Clinton Administration, Deputy Attorney General Jamie Gorelick Noted Such Surveillance Programs “Provide Critical Information” And “Have Frustrated Terrorist Plots To Strike Targets Within The United States.” GORELICK: “[T]he federal courts of appeal have recognized that such searches, carried out since the earliest days of our republic, are a valid exercise of the president’s constitutional responsibilities to conduct foreign affairs and protect national security and fall within an exception to the Fourth Amendment’s warrant requirement. ... Electronic surveillance and physical searches of property provide critical information about the conduct of foreign powers that threaten our national security. ... They have frustrated terrorist plots to strike targets within the United States.” (*Jamie Gorelick, Letter To The Editor, “The ‘Black Bag’ Exception,” The Washington Post, 8/5/94*)

From The Washington Post: “Officials Have Privately Credited The Eavesdropping With The Apprehension Of Iyman Faris, A Truck Driver Who Pleaded Guilty In 2003 To Planning To Blow Up The Brooklyn Bridge.” (*Peter Baker, “President Says He Ordered NSA Domestic Spying,” The Washington Post, 12/18/05*)

Majority Message



In Their Own Words

February 6, 2006

Intelligence Committee Chairman Pat Roberts (R-KS) On The President's Terrorist Surveillance Program:

"The president's exercise of this authority has been, and continues to be, reasonable in the context of the United States' ongoing war against terrorist organizations that are intent on targeting our homeland again..." (*Sen. Pat Roberts, As Quoted By Investor's Business Daily, 2/6/05*)

"When President Bush exercised his constitutional authority and responsibility as Commander-in-Chief to target international communications between potential terrorists within this country and al Qaeda members overseas, he recognized, just like President [Franklin D.] Roosevelt, that after a terrorist attack occurs '[i]t is too late.' Our nation had been attacked on September 11, 2001, by foreign enemies. We were, and are still, at war..." (*Sen. Pat Roberts, Letter To Democratic National Chairman Howard Dean, 2/3/06*)

Sen. John Cornyn (R-TX):

"It is crucial that the President as Commander-in-Chief has inherent authority in this arena in order to act with speed and decisiveness when necessary... It is misleading to characterize the NSA program as some sort of broad-based 'domestic' spying on U.S. citizens. The NSA program is narrowly focused. It targets the international communications of al Qaeda in an effort to connect the dots and prevent another 9/11." (*Press Release, 2/6/06*)

Sen. Jeff Sessions (R-AL):

"President Bush's surveillance program authorizes only an intercept of an international call or email in which one of the parties is connected to al Qaeda. I think the terrorist surveillance program is a reasonable response." (*Press Release, 2/2/06*)

Sen. Mel Martinez (R-FL):

"The fact is that this surveillance is not being done for any purpose other than to be utilized as early warning intelligence for us to be able to respond to potential attacks on the United States." (*Press Release, 2/2/06*)

Sen. Jon Kyl (R-AZ):

"What the president has done is to rely upon his authorities both under the Constitution and the authority that Congress gave to him to conduct this activity in a totally constitutional way which deals with the international communications of people connected with al Qaeda. We believe that to be totally appropriate under the circumstances." (*Press Release, 2/2/06*)

Sen. Saxby Chambliss (R-GA):

“As the 9/11 Commission pointed out, two of the terrorist hijackers who flew a jet into the Pentagon ... were communicating – by telephone – with other members of al Qaeda overseas while they were in the United States preparing for their deadly attack. Regrettably, we did not know this until it was too late. In order to ensure this never happens again, it’s vitally important that the President of the United States has the power and authority to protect the American people from future acts of terrorism, and both the Constitution and Congress grant the president that authority.” (*Press Release*, 2/2/06)

Setting The Record Straight: Sen. Durbin On Iraq And The Global War On Terror

Setting The Record Straight On Iraq Al Qaeda Connections

Sen. Durbin (D-IL) Claims There Were No Connections Between Iraq And Al Qaeda Prior To The 2003 Liberation: SEN. DURBIN: “There was no Iraq al Qaeda connection before our invasion.” (*Sen. Durbin, Remarks At National Press Club, Washington, D.C., 1/26/2006*)

But Prominent Democrats And Clinton Administration Officials Have Confirmed These Connections Existed:

- **Sen. Clinton (D-NY) – It’s “Undisputed” That Saddam Gave Aid And Comfort To Terrorists, “Including Al-Qaida”:** “[Saddam] has also given aid, comfort, and sanctuary to terrorists, including al-Qaida members, though there is apparently no evidence of his involvement in the terrible events of September 11, 2001. ... This much is undisputed.” (*Sen. Hillary Clinton, Congressional Record, 10/10/02, p. S10288*)
- **Former Clinton CIA Director James Woolsey – Skeptics Of Iraq Al Qaeda Links Must Be “Illiterate.”** “Anybody who says there is no working relationship between al Qaeda and Iraqi intelligence going back to the early ‘90s – they can only say that if they’re illiterate.” (*CNN’s Late Edition With Wolf Blitzer, 11/16/2003*)
- **Former Clinton And Bush CIA Director George Tenet Makes Clear Reports Of An Iraq Al Qaeda Relationship Are Based On “Solid Reporting” From Multiple Sources.** “Our understanding of the relationship between Iraq and al Qaeda is evolving and is based on sources of varying reliability. Some of the information we have received comes from detainees, including some of high rank. We have solid reporting of senior level contacts between Iraq and al Qaeda going back a decade. Credible information indicates that Iraq and al Qaeda have discussed safe haven and reciprocal nonaggression. Since Operation Enduring Freedom, we have solid evidence of the presence in Iraq of al Qaeda members, including some that have been in Baghdad. We have credible reporting that al Qaeda leaders sought contacts in Iraq who could help them acquire W.M.D. capabilities. The reporting also stated that Iraq has provided training to al Qaeda members in the areas of poisons and gases and making conventional bombs. Iraq’s increasing support to extremist Palestinians coupled with growing indications of relationship with al Qaeda suggest that *Baghdad’s links to terrorists will increase, even absent U.S. military action.*” (*CIA Director George Tenet, Letter To Senate Intelligence Committee, 10/7/02 As Quoted In Stephen F. Hayes, “The Saddam-Osama Memo (Cont.),” The Weekly Standard Online, <http://www.weeklystandard.com/Content/Public/Articles/000/000/003/396hflxy.asp> <<http://www.weeklystandard.com/Content/Public/Articles/000/000/003/396hflxy.asp>> , 11/19/2003*)

Setting Record Straight On The Iraq As A Distraction From The War On Terror

Senator Durbin (D-IL) Claims Iraq Has Been A Distraction From The War On Terror: SEN. DURBIN: “The war in Iraq has diverted resources away from the War on Terror and in many ways damaged America’s standing in the world.” (*Sen. Durbin, Remarks At National Press Club, Washington, D.C., 1/26/2006*)

But Iraq Is The Central Front Of The War On Terror, Not A Distraction From It:

- **Sen. Kerry (D-MA) Says Saddam Hussein Is Part Of The “Global Menace” Of Terrorism.** CNN’S LARRY KING: “What about enhancing this war, Senator Kerry. What are your thoughts on going further than Afghanistan, all terrorist places ...” KERRY: “Oh, I think we clearly have to keep the pressure on terrorism globally. This doesn’t end with Afghanistan by any imagination. And I think the President has made that clear. I think we have made that clear. Terrorism is a global menace. It’s a scourge. And it is absolutely vital that we continue, for instance, Saddam Hussein.” (CNN’s “Larry King Live,” 12/14/2001)
- **President Bush: “The Terrorists Have Made It Clear That Iraq Is The Central Front In Their War Against Humanity. So We Must Recognize Iraq As The Central Front In The War On Terror.”** (President Bush, Remarks To Council On Foreign Relations, Washington, D.C., 12/7/2005)
- **Sen. Levin: “The War Against Terrorism Will Not Be Finished As Long As [Saddam Hussein] Is In Power.”** (CNN’s “Late Edition,” 12/16/2001)
- **Terrorist Leader Ayman Al-Zawahiri To Zarqawi In Iraq: “I Want To Be The First To Congratulate You For ... Fighting Battle In The Heart Of The Islamic World... And What Is Now The Place For the Greatest Battle Of Islam In This Era.”** (Ayman Al-Zawahiri, “Letter From Al-Zawahiri To Al-Zarqawi,” 10/11/2005, Released By The Director Of National Intelligence, http://www.dni.gov/release_letter_101105.html <http://www.dni.gov/release_letter_101105.html>)

Setting The Record Straight On Military Readiness Of U.S. Forces

Senator Durbin (D-IL) Claims Iraq Has Stretched The U.S. Military Dangerously Thin: SEN. DURBIN: “The war in Iraq ... [has] stretched the finest military force in the world dangerously thin.” (Sen. Durbin, Remarks At National Press Club, Washington, D.C., 1/26/2006)

But The Commander In Chief And Secretary Of Defense Rebut Durbin’s Claim

- **President Bush, Commander In Chief – Retention Is High, Recruitment Is Meeting Goals:** “The things I look for are the following: morale, retention, and recruitment. And retention is high, recruitment is meeting goals, and people are feeling strong about the mission... I also recognize that we’ve got to make sure that our military is transformed. And that’s what’s taking place right now.” (President Bush, White House Press Briefing, 1/26/2006) <<http://www.whitehouse.gov/news/releases/2006/01/20060126.html>>
- **Donald Rumsfeld, Secretary Of Defense – U.S. Forces Are Enormously Capable:** “The world saw the United States Military go halfway around the world and in a matter of weeks throw the al Qaeda and Taliban out of Afghanistan, in a landlocked country thousands and thousands of miles away. They saw what the United States military did in Iraq, and the message from that is not that this armed force is broken, but that this armed force is enormously capable.” (Secretary Rumsfeld, Pentagon Press Briefing, 1/25/2006) <<http://www.defenselink.mil/transcripts/2006/tr20060125-12368.html>>

FACT SHEET

Reaching Out to the People of Iran

As the Secretary noted in her February 15 Senate testimony, we will work with our friends and allies on a range of measures to reach out to the Iranian people and support their calls for freedom. These will include:

- **Empowering Iranian Civil Society:** The Administration will spend at least \$10 million in FY06 funds to support the cause of freedom in Iran this year. These funds will be used to support political dissidents, labor union leaders and human rights activists. We will also work with NGOs to help build networks of support inside and outside Iran.
- **FY06 Supplemental Request:** The Administration will request an additional \$75 million in its FY06 supplemental request to support:
 - **Broadcasting to the Iranian People:** With \$50 million we will significantly increase our television broadcasting ability, establishing a 24 hour/7 days a week broadcast in Farsi into Iran. We will also work to improve our radio transmission capability and tap into satellite technology for both radio and TV transmission into Iran.
 - **Promoting Iranian Democracy:** An additional \$15 million will foster participation in the political process and support efforts to expand internet access as a tool for civic organization. Working with NGOs and through organizations such as the International Republican Institute, National Democratic Institute and National Endowment for Democracy we will support civic education and work to help organize Iranian labor unions and political organizations.
 - **Scholarships and Fellowships:** We will also expand our outreach to young Iranians with \$5 million for Iranian student education and international visitors programs designed to build bridges between the people of our two nations.
 - **Enhancing Communication:** We will support internet and other efforts to reach the Iranian public with \$5 million in funding for public diplomacy. We will also support the development of independent Farsi television and radio.
- **Enabling Action:** To enable U.S. and other NGOs to undertake these activities for the Iranian people, inside and outside Iran, the Departments of State and Treasury are working together to secure Office of Foreign Asset Control (OFAC) licenses so that we can make grants to these organizations. New licensing procedures will allow us to move quickly and effectively to support democracy efforts in Iran. We will be announcing more details about the new licensing procedures by the end of this week.

This is just a beginning. As these initial efforts begin to bear fruit, we will build on them to create new opportunities to expand our support for the Iranian people.

President Discusses Progress in War on Terror to National Guard

National Guard Building
Washington, D.C.
10:03 A.M. EST

... On September the 11th, 2001, our nation saw that vast oceans and great distances could no longer keep us safe. I made a decision that day – that America will not wait to be attacked again. (Applause.) And since that day, we've taken decisive action to protect our citizens against new dangers. We're hunting down the terrorists using every element of our national power – military, intelligence, law enforcement, diplomatic, and financial. We're clarifying the choice facing every nation: In this struggle between freedom and terror, every nation has responsibilities – and no one can remain neutral.

Since September the 11th, we've led a broad coalition to confront the terrorist threat. Four weeks after the attacks, America and our allies launched military operations to eliminate the terrorists' principal sanctuary in the nation of Afghanistan. I told the world that if you harbor a terrorist, you're equally as guilty as the terrorists. And when an American President says something, he better mean what he said. I meant what I said. (Applause.)

We removed a cruel regime that oppressed its people, brutalized women and girls, and gave safe haven to the terrorists who attacked America. Because we acted, the terror camps in Afghanistan have been shut down -- and 25 million people have tasted freedom, many for the first time in their lives. Afghanistan now has a democratically elected President, a new national assembly, and the beginnings of a market economy. Women are working and starting their own businesses, boys and girls are back in school. The Afghan people are building the institutions of a lasting democracy and the foundations of a hopeful future for their children and their grandchildren.

Afghanistan still faces serious challenges, from illicit drug trafficking to continued violence from al Qaeda and the remnants of the Taliban regime. So the international community is working together to help Afghanistan's young democracy succeed. Earlier this month, Prime Minister Tony Blair hosted over 40 nations and nine international organizations for a conference in London, where they pledged \$10.5 billion in aid to Afghanistan. (Applause.) With the help of 35 nations, NATO is leading the International Security Assistance Force in Afghanistan.

The United States, Britain, Norway, Germany, Italy, Spain, Lithuania, Canada, the Netherlands and New Zealand are all leading provincial reconstruction teams. These teams are helping the Afghan government extend its authority and provide security in provinces across the country. Our coalition has trained nearly 27,000 Afghan soldiers and more than 56,000 Afghan police -- so they can take the fight to the terrorists and eventually provide for the security of their own citizens. Afghan forces are risking their lives to fight our common enemy -- and coalition forces are proud to serve along with such courageous and bold and determined allies.

Our coalition is also working to root out and destroy terrorist networks all around the world. More than 90 nations --nearly half the world -- are now cooperating in a global campaign to dry up terrorist financing, hunt down terrorist operatives, and bring terrorist leaders to justice.

Some said that an aggressive strategy of bringing the war to the terrorists would cost us international support, would drive nations from our coalition. The opposite has happened. Today more governments are cooperating in the fight against terror than ever before. And in one of the most significant developments of this war, many nations that once turned a blind eye to terror are now helping lead the fight against it.

A little over four years ago, Pakistan was only one of three countries in the world that recognized the Taliban regime in Afghanistan. Today, Pakistani forces are risking their lives in the hunt for al Qaeda; President Musharraf has faced several attempts on his life since his courageous decision to join the war on terror. Before September the 11th, terrorist supporters were operating with relative ease in Saudi Arabia, where fundraisers and facilitators were providing money and logistical support to al Qaeda. Since the Riyadh bombings in May of 2003, the Saudi government has recognized that it is a prime target of the terrorists. And in the past two and a half years, Saudi forces have killed or captured nearly all of the terrorists on their most wanted list, they've reduced the flow of money to terror groups, and arrested hundreds of radical fighters bound for Iraq.

These governments are taking important steps to confront terror -- and as they do, we will continue to encourage them to take the path of political reform. By respecting the rights and choices of their own people these nations can marginalize the extremists, strengthen their societies, and eliminate the conditions that feed radicalism. These and other governments around the world are stepping forward to fight the terrorists because they know the lives of their citizens are at stake. President Musharraf said something interesting: "Terrorism threatens to destabilize all modern societies. It cannot be condoned for any reason or cause. The people of Pakistan have suffered from terrorism . [and] we are making our contribution to the fight against terrorism." President Musharraf is right. In the war against terror, there is no separate peace -- and no nation can stand on the sidelines.

In the terrorists' campaign of violence and destruction, the majority of their victims since 9/11 have been innocent Muslims. When the people in the Arab world see al Qaeda murdering Iraqi children or blowing up mourners in an Iraqi mosque, their outrage grows. And as the terrorists spread violence in places like Riyadh and Istanbul and Sharm el-Sheikh and Jakarta and Bali -- the people of those countries are starting to turn against the terrorists.

After terrorists bombed a Palestinian wedding at a hotel in Amman last November, thousands of Jordanians took to the street and rallied against al Qaeda. One protester carried a sign that read "Jordan's Nine-Eleven." Others chanted "This is not Islamic, this is terrorism!" The outrage even reached the Jordanian town of Zarqa -- birthplace of the terrorist Zarqawi, who heads al Qaeda in Iraq and who was the mastermind of the Jordan bombing. A cousin standing outside the al Qaeda leader family home said this: "We hate him even more than other people do now." Zarqawi was even expelled by his own tribesmen, hundreds of whom declared in a letter to a Jordanian newspaper: we "renounce his actions, pronouncements or whatever he approves of r. We disown him until judgment day."

Before the bombings, most Jordanians reportedly sympathized with al Qaeda. Today only a minority sympathize with al Qaeda, and most Jordanians say its activities are not in conformity with the teachings of Islam. Similar shifts in public opinion are beginning to appear in other parts of the Muslim world. From Pakistan, to Indonesia, to al Qaeda's former home base of Afghanistan, more people now say they oppose the terrorists and their tactics.

These are positive signs -- but we still have a long way to go. So we'll continue to oppose the terrorists' ideology by offering the hopeful alternative of political freedom and peaceful change. We're working to spread the hope of liberty across the broader Middle East because we've learned the lessons of history: Free nations don't wage wars of aggression; they don't give safe haven to terrorists to attack other democracies. Free nations are peaceful nations. And when democracy takes hold, nations replace resentment with hope, respect the rights of their citizens and their neighbors, and join the fight against terror. Every step toward freedom in the world makes this country safer -- so across the world the United States of America is acting boldly in freedom's cause.

Securing America Through Immigration Reform

Immigration Reform Must Be A Priority. America needs an immigration system that upholds our laws, reflects our values, and serves the interests of our economy. Our nation needs orderly and secure borders. To meet this goal, we must have stronger immigration enforcement and border protection. And we must have a rational, humane guest worker program that rejects amnesty, allows temporary jobs for people who seek them legally, and reduces smuggling and crime at the border.

- **Securing The Border Is Essential To Securing The Homeland.** Since he took office, the President has increased funding for border security by 60 percent. Border agents have apprehended and sent home more than 4.5 million people coming into the country illegally – including about 350,000 with criminal records. The U.S. border must be open to trade and tourism – and closed to criminals, drug dealers, and terrorists.

The President Will Work With Congress To Pass And Sign Into Law Comprehensive Immigration Reform. Comprehensive immigration reform is a top priority for the Administration. Already, Congress is making great strides and has a chance to move forward on a strategy to enforce immigration laws, secure America, and uphold the Nation's deepest values. The President will continue working with Congress so that he can sign a comprehensive immigration reform bill into law in 2006.

The President's Strategy For Comprehensive Immigration Reform

Comprehensive Immigration Reform Begins With Securing The Border. To secure the border, the President is pursuing a three-part plan.

- **First, The U.S. Will Return Every Illegal Entrant Caught Crossing The Southwest Border – With No Exceptions.** More than 85 percent of apprehended illegal immigrants are from Mexico, and most are immediately escorted back across the border within 24 hours. To prevent them from trying to cross again, the Federal government is using interior repatriation whereby Mexican illegal entrants are returned to their hometowns, making it more difficult for them to attempt another crossing. This approach is showing great promise. In a West Arizona desert pilot program, nearly 35,000 illegal immigrants were returned to Mexico through interior repatriation, and only about 8 percent turned up trying to cross the border in that sector again. The Administration is working to expand interior repatriation to ensure that when those who violate the country's immigration laws are sent home, they stay home.
- **The Administration Is Ending The Practice Of "Catch And Release."** Because detention facilities lack bed space, most non-Mexican illegal immigrants apprehended are released and directed to return for a court appearance. However, 75 percent fail to show. Last year, only 30,000 of the 160,000 non-Mexicans caught coming across our Southwest border were sent home. Addressing this problem, the President has signed legislation increasing the number of beds in detention facilities by more than 10 percent over the next year. The Federal government is also using "expedited removal" to detain, place into streamlined judicial proceedings, and deport non-Mexican illegal immigrants in an average of 32 days – almost three times faster than the usual procedure. Last year, more than 20,000 non-Mexicans caught crossing the border between Laredo and Tucson were deported using expedited removal. The use of expedited removal is now being expanded across the entire Southwest border. When illegal immigrants know they will be caught and sent home, they will be less likely to cross illegally in the first place.
- **The Administration Is Taking Further Steps To Accelerate The Removal Process.** The U.S. is pressing foreign governments to take back their citizens more promptly, while streamlining bureaucracy and increasing the number of flights carrying illegal immigrants home. Testing these steps, "Operation

Texas Hold ‘Em” along the Rio Grande Valley of the Texas Border recently resulted in Brazilian illegal immigration dropping by 90 percent in the Rio Grande Valley – and by 50 percent across the entire border. These efforts are helping change a policy of “catch and release” to a policy of “catch and return.”

- **Second, The Administration Will Work With Congress To Reform Immigration Laws.** The President is seeking to eliminate senseless rules that require the government to release illegal immigrants if their home countries do not take them back in a set period of time. Among those the government has been forced to release are murderers, rapists, child molesters, and other violent criminals. The President is also working with Congress to address the cycle of endless litigation that clogs immigration courts, rewards illegal behavior, and delays justice for immigrants with legitimate claims. Lawsuits and red tape must not stand in the way of protecting the American people.
- **Third, The Federal Government Will Act To Stop People From Illegally Crossing The Border In The First Place.** The Administration is increasing manpower, technology, and infrastructure at the Nation’s borders, and integrating these resources in innovative ways.
 - **Increasing Manpower.** Since 2001, 1,900 Border Patrol agents have been added, and the President has signed legislation allowing the addition of another 1,000 agents in the year ahead. When the hiring is completed, the Border Patrol will have been enlarged by about 3,000 agents – from about 9,500 when the President took office to about 12,500 next year. This is an increase of more than 30 percent.
 - **Deploying New Technology.** The Administration is giving Border Patrol agents the tools to expand their reach and effectiveness including unmanned aerial vehicles (UAVs) and infrared cameras. In Tucson, agents using UAVs to patrol the border have improved their interception of illegal immigrants and drugs on the border. Legislation signed by the President is providing \$139 million to further upgrade technology and bring a more unified, systematic approach to border enforcement.
 - **Constructing Physical Barriers To Entry.** The President has signed legislation providing \$70 million to install and improve protective infrastructure across the border. In rural areas, the government is constructing new patrol roads to give agents better access to the border and new vehicle barriers to keep illegal immigrants from driving across. In urban areas, the government is expanding fencing to shut down human smuggling corridors. The Administration recently authorized the completion of a 14-mile barrier near San Diego. Once held up by litigation, this project is vital to helping border agents do their jobs and make those who live near the border more secure.

Comprehensive Immigration Reform Requires Improved Enforcement Of Immigration Laws Within The United States. Catching and deporting illegal immigrants along the border is only part of protecting the American people. Our immigration laws must be enforced throughout America.

- **The Federal Government Is Improving Worksite Enforcement.** The President has signed legislation that more than doubles the resources dedicated to worksite enforcement. The government is placing a special focus on enforcement at critical infrastructure. This year, Operation Rollback – the largest worksite enforcement case in American history – resulted in the arrest of hundreds of illegal immigrants, criminal convictions against a dozen employers, and a multi-million dollar payment from one of America’s largest businesses. Worksite enforcement is critical to the success of immigration reform.

- **To Help Businesses Comply With Immigration Laws, The Government Is Addressing Document Fraud.** Even the most diligent employers find it difficult to spot forged employment documents and verify workers' legal status. So the Administration is expanding the Basic Pilot program enabling businesses to screen the employment eligibility of new hires against Federal records. Since 2001, this program has expanded from only six states to now being available nationwide. The Administration will work with Congress to continue to improve employment verification.
- **The President Has Committed The Resources Necessary To Enforce Immigration Laws.** Since 2001, the Administration has increased funding for interior enforcement by 44 percent; increased the number of immigration and customs investigators by 14 percent; and new funding will allow for an additional 400 immigration enforcement agents and 250 criminal investigators. These skilled officers are getting results. In Arizona alone, 2,300 people have been prosecuted for smuggling drugs, guns, and illegal immigrants across the border. Operation Community Shield has resulted in the arrest of nearly 1,400 illegal immigrant gang members – including hundreds of members of violent gangs like “MS-13.” Since the creation of the Department of Homeland Security (DHS), agents have apprehended nearly 27,000 illegal immigrant fugitives.

As Part Of Comprehensive Immigration Reform, The President Has Proposed The Creation Of A New Temporary Worker Program. To match foreign workers with American employers for jobs that no American is willing to take, temporary workers will be able to register for legal status for a fixed time period and then be required to return home. This plan meets the needs of a growing economy, allows honest workers to provide for their families while respecting the law, and relieves pressure on the border. By reducing the flow of illegal immigrants, law enforcement can focus on those who mean this country harm. To improve worksite enforcement, the plan creates tamper-proof I.D. cards for every legal temporary worker.

- **A Temporary Worker Program Would Not Provide Amnesty.** The program does not create an automatic path to citizenship or provide amnesty. The President opposes amnesty because rewarding those who break the law would encourage more illegal entrants and increase pressure on the border. A Temporary Worker Program, by contrast, would promote legal immigration and decrease pressure on the border. The President supports increasing the annual number of green cards, but for the sake of justice and security, the President will not sign an immigration bill that includes amnesty.

Enabling The World's Most Talented Individuals To Put Their Skills To Work For America Will Increase Our Productivity, Improve Our International Competitiveness, And Create Many High-Paying Jobs For Americans. In his State of the Union address, President Bush announced the American Competitiveness Initiative (ACI) to encourage American innovation and strengthen our Nation's ability to compete in the global economy. As part of the ACI, the President has called on Congress to raise the cap on H1B visas. The Administration supports attracting and retaining the best and the brightest high-skilled workers from around the world by reforming the Nation's immigration system, while maintaining national security priorities.

By Reforming Immigration Laws, The United States Will Preserve The Promise Of America. Immigrants play a vital role in strengthening American democracy. This is a land in which foreigners who respect the laws are welcomed as contributors to American culture – not feared as threats. The United States has been strengthened by generations of immigrants who became Americans through patience, hard work, and assimilation. Like generations of immigrants that have come before them, every new citizen has an obligation to learn this Nation's customs and values. At the same time, America will fulfill its obligation to give each citizen a chance to realize the American dream. By enforcing immigration laws, the Federal government is protecting the promise of a tolerant, welcoming America and preserving opportunity for all.

Jobs/Economy



Securing America's Competitiveness and Creating Jobs Through a Growing Economy

Republican pro-growth policies are helping secure America's competitiveness and job creation. Republicans have made significant progress on the economy, but we realize there is still more work to do to ensure that every American has economic security and a good-paying job.

- Since Republicans enacted pro-growth tax relief legislation in May 2003, the economy has created more than 4.7 million new jobs. Employers added 2 million jobs in the last year, including nearly 200,000 jobs in January alone, stepping up hiring across sectors.
- The current unemployment rate is a low 4.7% -- lower than the averages of the last three decades and the lowest in four years.
- In just two and a half years, real Gross Domestic Product grew by an amazing 9.8%. The economy has grown by more than 3.5% a year, faster than any major industrialized nation in Europe or the Pacific Rim democracy. It likely will grow by at least as much this year.
- In the 11 quarters since the 2003 tax relief lowered tax rates on dividends and capital gains, business investment has grown at a strong average annualized rate of 8.5 percent. Stronger private investment has helped boost household wealth by 16.3% since 2003.
- Homeownership has reached all-time highs. More than two-thirds of Americans own their homes today – more than any time in history.

Republicans are working to extend the 2003 tax relief measures through the Tax Reconciliation bill to ensure that Americans continue to have more of their own money to spend, save and invest.

Republicans are working to restrain government spending and balance the budget through enactment of the Deficit Reduction Act and pending congressional action on the President's FY 2007 Budget.

Tax Relief Fuels Job Creation and Economic Growth

It is difficult to overstate the economic benefits provided by the 2001 and 2003 tax cuts have provided to American families, small businesses, and the economy as a whole. By increasing the after-tax returns on the supply of labor and capital, the May 2003 tax relief made marginal economic activity more attractive. In so doing, the tax relief unleashed a surge in economic activity that improved workers' employment prospects, increased the attractiveness of fixed investment opportunities, and strengthened families' balance sheets. Unsurprisingly, the robust growth in economic activity spurred by tax relief produced an impressive surge in federal tax revenues that helped to close the size of the budget deficit.

Economic Growth

- In just two and a half years, real (inflation-adjusted) Gross Domestic Product grew by an astonishing 9.8 percent.
- Since the tax relief was signed into law, the economy has grown almost 20 percent faster than it did from the third quarter of 1998 to the first quarter of 2001 – the height of the stock market and technology bubble.

Investment

- By reducing the after-tax rate-of-return used to discount investments, the 2003 tax relief turned the economy's "post-bubble hangover" into a solid and sustained turnaround in new capital projects.
- In the 11 quarters that preceded the 2003 tax cut, private business investment (fixed nonresidential) contracted at an average annualize rate of -5.0 percent. Yet, in the 11 quarters since the 2003 tax relief lowered tax rates on dividends and capital gains, business investment has grown at an average annualized rate of 8.5 percent.
- Stronger private investment has helped to boost household wealth by 16.3 percent since 2003 to an all-time record of \$51.1 trillion.

Employment

- Since passage of the May 2003 tax relief, over 4.7 million net new jobs have been added to the American economy, including more than 2 million in the past 12 months.
- Such robust job growth has slashed the nation's unemployment rate by nearly one-fifth, to 4.7 percent. The current unemployment rate is about fifteen percent lower than the nation's average rate of unemployment since 1960.

Federal Revenues

- Since passage of the May 2003 tax relief, federal receipts have increased by over 20 percent. Over the past fiscal year, overall federal receipts grew by 14.6 percent – the most rapid annual increase in federal receipts in over 20 years – and annual corporate income tax revenue surged by \$88.9 billion, or 47 percent.
- In total, during the 2005 fiscal year the government collected more federal tax revenue than in any previous year in the nation's history. It is simply not credible to suggest that the federal treasury is somehow starved of tax revenues!
- This predictable revenue growth also helped to narrow the federal budget deficit to \$319 billion, or 2.6 percent of Gross Domestic Product (GDP). Measured relative to the size of the economy, the 2005 deficit was lower than the deficits of 16 of the last 25 years, and \$108 billion, or 25.3 percent lower, than projected in the President's FY 2006 budget less than a year ago.

Highlights of the President's FY2007 Budget



The President's 2007 Budget continues the successful pro-growth policies that have encouraged robust economic growth and job creation. A strong economy, together with spending restraint, is critical to reducing the deficit. The Budget builds on last year's successful spending restraint by again holding the growth of overall discretionary spending below inflation, proposing to reduce non-security discretionary spending below the previous year's level, and calling for the elimination or reduction of programs not getting results or not fulfilling essential priorities. Like last year, the budget proposes savings and reforms to mandatory spending programs, whose unsustainable growth poses the real long-term danger to our fiscal health.

Continuing Our Economic Expansion

The Budget continues the President's pro-growth policies vital to our economy's continued expansion. With the full implementation of the President's tax relief plan in 2003, the Nation has added more than 4.7 million new jobs, productivity has increased at a 3 percent annual rate, homeownership has reached all-time highs, and the American economy is growing faster than other major industrialized nations.

- Because America needs more than a temporary expansion, taxpayers need more than temporary tax relief. The Budget proposes to make permanent the tax relief enacted in 2001 and 2003, preventing a tax increase on families and small businesses.
- The strength of our economy has produced rapid increases in the level of Federal receipts, which are critical to reducing the deficit. From 2004 to 2005, receipts grew 14.5 percent (\$274 billion), or more than twice as fast as the economy itself. The Budget forecasts receipts to grow another \$132 billion from 2005 to 2006, an increase of 6.1 percent.

Restraining Spending and Cutting the Deficit

Through continued pro-growth economic policies and spending restraint, the Budget keeps us on track to meet the President's goal of cutting the deficit in half by 2009. The Budget:

- Again holds the growth of overall discretionary spending below inflation and again proposes to reduce non-security discretionary spending below the previous year's level.
- Terminates or reduces 141 programs that are not getting results or not fulfilling essential priorities, for a proposed savings of \$14.7 billion, building on last year's success in which savings of \$6.5 billion were achieved in 89 of the President's proposals.
- Requests that Congress give the President a Constitutional line-item veto. All savings from the line-item veto would be used for deficit reduction.
- Projects the deficit will decline from its projected 2004 peak of 4.5 percent of GDP (\$521 billion) down to 1.4 percent (\$208 billion) in 2009, more than in half and well below the 40-year historical average deficit of 2.3 percent.

The Long-Term Fiscal Danger

The greatest threat to our fiscal health over the long-term comes from unsustainable growth in entitlement programs such as Social Security, Medicare, and Medicaid.

- The Budget saves \$65 billion over 5 years by slowing the future growth of entitlement spending.
- In addition, it paves the way for further reforms that will be needed over the longer term to bring Medicare's finances in line with available resources.
- The President will also continue to promote comprehensive reform of Social Security to place the program's finances on sustainable footing for future generations.

Focusing On National Priorities

The Budget focuses taxpayer resources on National priorities like the War on Terrorism, health care, energy research and strengthening our global competitiveness through improved math and science education and research.

- **Fighting the War on Terror.** To give our troops the resources they need to fight terror and protect our Nation, the Budget increases defense spending by nearly 7 percent. This funding will maintain a high level of military readiness, develop and procure new weapon systems to ensure U.S. battlefield superiority, and support our service members and their families.
- **Defending the Homeland.** Government-wide, non-defense homeland security funding, including fee-funded activities, increases by more than 8 percent. The Budget also provides resources to strengthen our borders with funding for 1,500 new border patrol agents, 6,000 new detention beds, 560 detention and removal personnel, and 257 attorneys to expedite removal of illegal immigrants.
- **Reducing Health Care Costs and Improving Access.** The Budget makes health care more affordable and available with improvements to Health Savings Accounts, health information technology, and medical liability reform.
- **Reducing our Addiction to Foreign Oil.** The Advanced Energy Initiative provides a 22-percent increase in research funding for cleaner, cheaper, more reliable energy: solar, wind, nuclear, zero-emission coal, batteries for hybrid and electric cars, hydrogen, and biomass – with the goal of replacing 75 percent of oil imports from the Middle East by 2025.
- **Strengthening our Competitiveness.** The American Competitiveness Initiative commits \$5.9 billion in FY2007, and more than \$136 billion over 10 years, to increase investments in research and development, recruit new math and science teachers, encourage American innovation, and strengthen our nation's ability to compete in the global economy.
- **Promoting Compassion and Strengthening Families.** The Budget continues to advance compassionate programs that are effective in addressing social concerns, including \$322 million in targeted Faith-based and Community initiatives. These efforts fund the Helping America's Youth initiative, as well as other priority programs.
- **Delivering Results and Controlling Spending.** The President proposes reforms to control spending and to ensure programs deliver greater results. The 2007 Budget:
 - Proposes statutory limits on discretionary spending, enforced by across-the-board cuts.
 - Proposes biennial budgeting, which would allow lawmakers to devote more time every other year to ensuring that taxpayers' money is spent wisely and efficiently.
 - Proposes creation of a Results Commission and a Sunset Commission to improve agency and program performance and reduce unnecessary costs to taxpayers.
 - Launches ExpectMore.gov to improve Federal program transparency and accountability and focus on results.



The President's pro-growth policies and commitment to spending restraint have succeeded in fueling job creation and our Nation's economic expansion and have kept us on track to meeting the President's goal of cutting the deficit in half by 2009. The 2007 Budget continues this progress by helping ensure that taxpayer dollars are spent wisely or not at all. Resources are focused on national priorities like the War on Terror, health care, energy, and competitiveness, while poor-performing, duplicative, or low-priority programs are terminated or reduced. Reforms are proposed to entitlement programs to address their unsustainable growth in spending, and the budget process is proposed to be reformed to more effectively enforce budget discipline and improve transparency.

Continuing a record of responsible stewardship

Last year's Budget proposed savings in non-security discretionary spending as well as the first savings from mandatory programs since 1997. Congress answered that call for restraint. Specifically, Congress:

- Accepted 89 of the President's 154 proposals for a total savings of \$6.5 billion.
- Delivered reforms to mandatory spending programs and passed the Deficit Reduction Act to save \$40 billion over five years.
- Enacted a budget that held discretionary spending growth below the rate of inflation.

The 2007 Budget builds on this success by:

- Again holding overall discretionary spending growth below the rate of inflation.
- Again cutting non-security discretionary spending.
- Again recommending the elimination of or reductions in programs that are performing poorly or not fulfilling essential priorities: 141 programs for a proposed savings of \$14.7 billion.
- Saving \$65 billion over 5 years by slowing the growth of entitlement spending.
- Proposing improvements to the budget process to ensure taxpayer dollars are spent responsibly. The Budget encourages long-term fiscal restraint by enacting several budget process and program oversight reforms, including:
 - Requiring that legislation including new or increased mandatory spending commitments be offset by savings in equal amounts.
 - Setting enforceable limits on total spending to stabilize budget growth in the long-term.
 - Creating a Results Commission and a Sunset Commission to review programs and their results in order to recommend improvements.
 - Requesting that Congress provide current and future Presidents with a line-item veto that would withstand constitutional muster.

President Bush Signs The Deficit Reduction Act

Recently, President Bush Signed The Deficit Reduction Act Of 2005. This legislation restrains Federal spending and leaves more money in the hands of the American people. Earlier this week, the President proposed a disciplined Federal budget for 2007 to keep taxes low, fund critical priorities, and build on the Administration's record of restraining government spending.

Provisions Of The Deficit Reduction Act

The Deficit Reduction Act Is An Important Step Forward In Bringing Mandatory Spending Under Control. In the long run, the biggest challenge to the budget is mandatory spending – or entitlement programs like Medicare, Medicaid, and Social Security. Together, these programs are now growing faster than the economy and the population – and nearly three times the rate of inflation. By 2030, spending for Medicare, Medicaid, and Social Security alone will be almost 60 percent of the entire Federal budget. The annual growth of entitlement programs needs to be slowed to affordable levels, but these programs do not need to be cut. Through reforms that will reduce the annual growth of mandatory spending, the Deficit Reduction Act saves taxpayers nearly \$40 billion over the next five years – about \$300 per taxpayer.

- **The Deficit Reduction Act Is Estimated To Slow The Pace Of Spending Growth In Both Medicare And Medicaid While Maintaining Our Commitment To Beneficiaries.** These two programs provide vital services to millions of Americans, but their costs are straining budgets at both the Federal and state levels. The Deficit Reduction Act restrains spending for entitlement programs while ensuring that Americans who rely on these programs continue to get needed care.
- **Taxpayers Will Save More Than An Estimated \$6 Billion On Medicare Over The Next Five Years.** The Deficit Reduction Act, together with the Medicare Act of 2003, requires wealthier seniors to pay higher premiums for their Medicare coverage. The savings created by this reform and others will make it possible to increase Federal funding for important areas like kidney dialysis and rural hospitals.
- **The Deficit Reduction Act Will Also Reduce The Growth In Medicaid By Nearly \$5 Billion Over The Next Five Years.** The Deficit Reduction Act helps restrain Medicaid spending by reducing Federal overpayment for prescription drugs so that taxpayers do not have to pay inflated markups. The bill also gives governors more flexibility to design Medicaid benefits that efficiently and affordably meet their states' needs, and tightens the loopholes that allowed people to game the system by transferring assets to their children so they can qualify for Medicaid benefits.
- **The President Is Committed To Finding Additional Ways To Make Medicare And Medicaid More Efficient.** The President's FY 2007 budget proposes another \$36 billion in savings on Medicare and more than \$1 billion in savings on Medicaid. The President's proposals slow the average annual growth in Medicare over the next five years from 8.1 percent a year to 7.7 percent a year. Together with the Deficit Reduction Act, the President's budget will slow Medicaid's average annual growth over the next five years from 6.9 percent a year to 6.6 percent a year.
- **In The Long Run, Ensuring The Stability Of Medicare And Medicaid Requires Structural Reform.** In his State of the Union Address, the President proposed a bipartisan commission to examine the full impact of Baby Boomer retirements on Medicare, Medicaid, and Social Security. This commission will include members of Congress from both parties and will recommend long-term solutions.

Providing New Resources For Those With The Greatest Needs. The Deficit Reduction Act includes \$1 billion in additional mandatory spending for the Low Income Home Energy Assistance Program (LIHEAP) to help low-income Americans pay heating bills; \$2 billion in new funding to cover health care costs for Hurricane Katrina victims; and more than \$1 billion in new funding for low-income disabled children.

Improving Federal Student Loan Programs And Increasing Benefits To Students. The Deficit Reduction Act cuts excess government subsidies to lenders and makes other reforms that will help reduce overall student loan costs by about \$22 billion. This will save taxpayers \$12 billion and increase student aid by \$10 billion.

Reauthorizing Welfare Reform For Another Five Years. Welfare reform has proved a tremendous success over the past decade. By insisting on programs that require work and self-sufficiency in return for Federal aid, the Federal government has helped cut welfare cases by more than half since 1996. Building on this progress, the Deficit Reduction Act includes a \$1 billion increase in child care funding, as well as new grants to support healthy marriages and responsible fatherhood.

- **Extending Charitable Choice.** One of the reasons for welfare reform's success is a policy called charitable choice – which allows faith-based groups that provide social services to receive Federal funding without altering their religious identity or changing the way they hire. Charitable choice also safeguards the religious freedom of beneficiaries. Welfare was the first Federal program to include charitable choice, and the Deficit Reduction Act extends it for another five years. Charitable choice will also apply to the bill's new programs that focus on promoting healthy marriages and responsible fatherhood, two areas in which faith-based and community groups are particularly effective in providing services. By reauthorizing welfare reform with charitable choice, the Deficit Reduction Act helps millions more Americans move from welfare to work and find independence, dignity, and hope.

Additional Items



What to Say to Beneficiaries

Medicare Prescription Drug Coverage

February 14, 2006

- Now for the first time Medicare will help pay for your prescriptions. It didn't make any sense for Medicare to pay for costly operations and complications, but not to pay for the drugs that can prevent these problems.
- More than 24 million people already are using the prescription drug coverage, with more than a million prescriptions a day being filled. That's new savings for millions of people who didn't have any coverage before, and millions more who have better and more secure drug coverage.
- And this coverage is costing a lot less than people thought it would – with plans starting at under \$20 a month and with the cost to taxpayers \$130 billion lower than expected.
- What really matters is what this new drug coverage means for you, and people who look into it are finding that it's a good deal. That's why hundreds of thousands of people are signing up every week. That includes thousands of people in my district who are already saving and getting protection from high drug expenses in the future.
- You are not alone in picking a plan and you don't need to be an expert on all the options. There are many places to go for personalized assistance to help you.
- You can call 1-800-MEDICARE to get personalized help in choosing a plan. Just have your Medicare Card, a list of the drugs you use, and the name of your pharmacy handy and you can get help right then and there. Or if you use the internet or have a friend or family member who can help you, you can also get personalized help at www.medicare.gov. You can even enroll on line or over the phone. [Mention to look for local events if you are having any.]
- With any new program there are going to be startup problems, and even though millions of people are using their coverage just fine, I want to make sure everyone is able to take advantage of this new benefit. If you have enrolled and have any problem getting your prescriptions at the pharmacy counter, make sure you call 1-800-MEDICARE right away. They will help you get your medications. Of course, you can always call my office and we will help as well -- we work closely with Medicare to make sure you get your benefits.

Medicare Prescription Drug Coverage

February 14, 2006

- Pharmacists have been on the front-lines of implementing the new Medicare prescription drug coverage since it took effect on January 1. It's not surprising that a program involving 20 million plus people had some problems at the start, especially since January is always a tough time for pharmacists with all the other coverage changes.
- I know there have been some real frustrations in these early days of the program, especially for some people who had drug coverage from Medicaid before and who didn't have all the coverage information you need in your systems. I want to thank you for your hard work and long hours in helping to make sure that beneficiaries get the medications they need.
- I'm hearing from many pharmacists that they are filling more prescriptions for people with Medicare – including people who used to get drugs in the mail or who just went without. But I know the plans are paying less for each prescription than Medicaid or cash patients did. Some things are being done to address this, and I want to hear your suggestions for other steps.
- Cash flow has been a big issue, especially before the payments started coming. Medicare wants to make sure you are getting paid for the prescriptions you fill. If you are not getting paid according to your contracts, you can contact Medicare using their pharmacy help line and give them the details, and they will investigate your complaint and take further action against any plan that is not fulfilling its contract terms.
- Wait times of a half hour or much more on pharmacy help lines are unacceptable. Medicare has worked to improve these times and is tracking daily how plans are serving pharmacists on their pharmacy help lines. I understand the wait times have been coming down, but all the plans need to keep making quick progress to a high level of service. Medicare will use the performance information as a basis for taking further action against plans that do not reach a good level of pharmacy support.
- Medicare is also working with the drug plans and pharmacy groups to simplify the codes and processes that differ from plan to plan and that mean more time and higher costs for you. Competition between the drug plans should work to make it easier for pharmacists to serve their patients at a lower cost, and I want to make sure that happens.
- If you have trouble verifying an enrollee's plan or cost-sharing information, you can call the toll-free CMS pharmacy help line at 1-866-835-7595 for quick assistance. Medicare will provide a caseworker to assist with any urgent cases.

You may have heard that drug payments in Medicaid are changing under the new Deficit Reduction Act. This law does not begin until next year, and in the meantime, CMS is going to have an opportunity for public input especially from pharmacists on how to implement the new law as effectively as possible. Medicaid has been paying more for prescription drugs than other insurance, and that is changing, but the law provides a lot of flexibility for how states change their payments. In particular, some states have set up medication therapy management programs and other initiatives to pay more when pharmacists help Medicaid patients lower their drug costs and use medicines more effectively. As the new law is implemented, we need to make sure states take advantage of these approaches to save money on drugs that recognize the critical role of pharmacists.

General Points

Medicare Prescription Drug Benefit

February 14, 2006

1. The new Medicare Prescription Drug Benefit is working as demonstrated by the fact that it:
 - Brings Medicare up to date: It does not make sense to pay for operations and complications but not drugs.
 - Costs much less and offers more benefits than people expected because of competition: And this coverage is costing a lot less than people thought it would – with plans starting at under \$20 a month and with the cost to taxpayers \$130 billion lower than expected. Also, the states will send more than \$37 billion less to the federal government over the next ten years because of lower drug costs.
 - More than 24 million people already are using the prescription drug coverage, with more than a million prescriptions a day being filled., and people are saving 50% or more on their drug costs
2. It is understandable to have questions about what the new coverage means for you. It's a new kind of benefit and you have choices, but you can call 1-800-MEDICARE, go to medicare.gov, or get face to face help. The benefit is a good deal, and it is worth looking into.
 - Some people with Medicare and Medicaid have had trouble using the coverage at first, and some people had long wait times the first time they used their coverage. I've spoken with HHS/Medicare and they are working hard to fix these problems.
 - If you had trouble with the coverage, my office can help you get in touch with Medicare. You can also call Medicare directly 1-800-MEDICARE.

Democrats Say Anything About Prescription Drugs, But They Have a History of Doing Nothing

Democrats Talked About The Need For An Affordable, Voluntary Prescription Drug Benefit For Years.

- “[Durbin] argued for an optional, voluntary contribution from Medicare to help pay for prescription drugs, with Medicare recipients bearing a co-payment on prescriptions filled.” *Copley News Service, Durbin advocates prescription-drug benefit for seniors, 11/22/99*
- “We especially want to provide a prescription drug benefit to Medicare.” *Senator Byron Dorgan, Press Conference, 04/04/00*
- “Those age 85 and older represent the fastest growing segment of this population, with membership in this once exclusive demographic group projected to grow from four million Americans today to an estimated 19 million by 2050. We need to ensure that “miracle” drugs and other future medical breakthroughs are accessible and affordable for the people who need them the most...” *Senator Harry Reid, Press Release, 03/27/02*

But Democrats Never Made Good On Their Call For Prescription Drug Coverage.

- After decades of congressional control, through eight years of President Clinton’s administration, and despite a Democrat Senate majority between 2001-2002, Democrats never made good on their promise to add prescription drug coverage to Medicare.

However, President Bush And Republicans Promised Prescription Drug Coverage And Delivered A Real Benefit To Seniors.

- “We will ... make prescription drugs available and affordable for every senior who needs them.” *Texas Governor George W. Bush, 08/04/00*
- Senate Passed a Bipartisan Prescription Drug Benefit in 2003. The Prescription Drug and Medicare Improvement Act of 2003 passed the Senate on November 22, 2003. Eleven Senate Democrats voted in favor of the bill (Baucus, Breaux, Carper, Conrad, Dorgan, Feinstein, Landrieu, Lincoln, Miller, Nelson, Wyden).

Now Democrats Are Politicizing The New Benefit, Trying To Scare Seniors, Attacking Start-Up Problems.

- “I, for one, believe we should scrap this and start over,” said Clinton, during a finger-wagging, desk-thwacking speech before the Senate health committee. *Senator Hillary Clinton, Newsday, 02/02/06*
- “The Republican bill is terrible. We would like to replace it; that is our goal. It is essential that we do so.” *House Minority Leader Nancy Pelosi, Town Hall Meeting, 02/10/06*

The Truth Is The New Prescription Drug Benefit Is Providing Millions Of Seniors With Real Savings.

- More than 24 million people already are using the prescription drug coverage, with hundreds of thousands more signing up every week.
- More than a million prescriptions a day being filled, and people are saving 50% or more on their drug costs.
- Costs much less and offers more benefits than people expected because of competition: And this coverage is costing a lot less than people thought it would – with plans starting at under \$20 a month and with the cost to taxpayers \$130 billion lower than expected. Also, the states will send more than \$37 billion less to the federal government over the next ten years because of lower drug costs.
- The average wait time for 1-800-MEDICARE has gone from 4:33 minutes to 1:13 minutes in the past month.



February 16, 2006

BY THE NUMBERS

From the Office of Strategic Initiatives

Strong Support For Prescription Drug Benefit

Seniors Enrolled in the Plan Overwhelmingly Support It

80% of seniors in the plan approve of the benefit. Despite numerous attacks on the Medicare prescription drug benefit, 80% of seniors who are enrolled in the plan say that they approve of the prescription drug benefit. Furthermore, 79% of all adults surveyed approve of the benefit.

Seniors approve of the entire Medicare reforms. 50% of seniors enrolled in the plan are pleased by the set of Medicare reforms that Congress passed in 2003. Among all seniors, the number that is pleased by the 2003 Medicare reforms has increased by 10 points since last February, from 26% to 36%.

Seniors also believe the new plan will mean lower costs. 53% of seniors enrolled in the prescription drug benefit believe it will lower their health care costs; just 30% think it will not lower their costs.

Seniors Have Had Little Trouble Using the Plan

A majority of seniors have not had difficulty with the benefit. 61% of seniors say it has not been difficult for them to use the prescription drug plan; just 26% say it has been difficult for them.

Source: Harris Interactive Poll, Feb. 7-9, 2006, Adults

109th Congress

Securing America's Future



President's Day 2005 / State Work Period
<http://src.senate.gov>

SENATE REPUBLICAN CONFERENCE

Rick Santorum, Chairman

Kay Bailey Hutchison, Vice Chairman

<http://gop.senate.gov>

